

***STATEWIDE
SUPPORT SYSTEM
EQUIPMENT***

EQUIPMENT REPLACEMENT

PROJECT SCOPE/DESCRIPTION: Systematic equipment replacement program for long life light and heavy equipment used by the Department to carry out maintenance and construction jobs. Graders, front-end loaders, rollers, dump trucks, street sweepers, four wheel drive vehicles, pickup trucks and sewer flushers are typical pieces of equipment.

SNOW PLOWS



STREET SWEEPERS



TREE TRIMMER



GRASS MOWING TRACTOR



EQUIPMENT REPLACEMENT (CONTINUED)

PROJECT JUSTIFICATION: As equipment age increases, the maintenance costs for capital assets tend to rise. And, as these assets near the end of their useful lives, these maintenance costs and asset reliability can become prohibitive. This reality has given rise to the concept of economic life, or the age beyond which it is more economical to replace an asset than it is to continue to try and maintain it. This is a common management practice in private industry, the Department applies this simple concept to the management of its equipment replacement program. In doing so it has established economic life benchmarks for each and every equipment class in its 2,400+ item major equipment inventory and schedules replacements accordingly. As the Department follows this model, it will manage the inventory, which taken as a whole will have a composite average age equal to the half-life of its entire inventory. At the end of FY 1999, as a result of years of under-investment in our equipment, the actual average age of the equipment inventory was 9.5 years versus a target half-life target of 4.6 years. To correct this imbalance the Department – in FY 2000 – began a phased program to bring the actual half-life to target by the end of FY 2003. The interim age targets as the Department moves forward are shown below:

Fiscal Year	Average Age Goal	Average Age Actual
1993	N/A	11.5 years
1999	N/A	9.5 years
2000	8.0 goal	8.0 years
2001	7.5 goal	7.4 years
2002	6.0 goal	
2003	4.6 goal	

County: Statewide
Funding Program: Support System – Equipment
Functional Category: Preservation
Representative District: Statewide
Senatorial District: Statewide

INDIVIDUAL PROJECT SEGMENTS	FUNDING	EST COST TO COMPLETE IN TODAY'S \$	FY 2001 7/00-6/01 TOTAL	FY 2002 7/01-6/02 TOTAL	FY 2003 7/02-6/03 TOTAL	FY 2004 7/03-6/04 TOTAL	FY 2005-2007 7/04-6/07 TOTAL
Highway Equipment Replacement Program	100% ST	37,736	656	6,715	6,073	6,073	18,219
Equipment for NPDES	100% ST	245		245			
Equipment for new SR 1 Section	100% ST	<u>2,044</u>	_____	_____	<u>2,044</u>	_____	_____
TOTAL		40,025	656	6,960	8,117	6,073	18,219

All \$ X 1,000